

Summary Minutes
City of Sedona
Planning & Zoning Commission Meeting
City Council Chambers, Sedona City Hall, Sedona, AZ
Tuesday, March 15, 2011 - 5:30 p.m.

(5 minutes 5:30 - 5:35 for agenda items 1-4)

1. **Verification of Notice, Call to Order, Pledge of Allegiance and Roll Call**
Chairman Losoff called the meeting to order at 5:30 p.m.

Roll Call:

Planning & Zoning Commissioners: Chairman Losoff, Vice Chairman Griffin and Commissioners Eric Brandt, Michael Hadley, Geoffrey Messer and Norm Taylor

Staff: Nick Gioello, John O'Brien, Donna Puckett, Mike Raber and Ron Ramsey

2. **Commission/Staff announcements and summary of current events by Chairman/staff.**

John O'Brien indicated that the deadline for P&Z applicants was yesterday and we received no applicants, so we will readvertise the vacancy with a deadline of April 18th.

3. **Approval of minutes for the following meeting:**
Tuesday, February 15, 2011 (R)

The Chairman asked if there was a motion to approve the minutes of February 15th.

MOTION: Commissioner Taylor so moved. Vice Chairman Griffin seconded the motion.

VOTE: Motion carried six (6) for and zero (0) opposed.

4. **Public Forum – for items not listed on the agenda within the jurisdiction of the Planning and Zoning Commission – limit of three minutes per presentation. (Note that the Commission may not discuss or make any decisions on any matter brought forward by a member of the public).**

The Chairman opened the public forum and having no requests to speak, closed the public forum.

5. **Discussion regarding the Sedona Community Plan Update process and status of the Citizens Steering Committee. (45 minutes 5:35 – 6:20 p.m.)**

Presentation, Mike Raber: Indicated he wanted to update the Commission on the City Council's March 8th meeting. One item was on the scope for the Steering Committee and the other was on the public participation procedures for the Community Plan update, and then we also discussed the general planning process. The Council approved the Steering Committee's scope and adopted the resolution for the public participation procedures. There were a couple of comments on the general process for the Plan update and one was to ensure that the implementation had progress measures built in, which is something the P&Z Working Teams had discussed as well, to make sure there is accountability and measures included in the implementation plan.

The Council was very supportive of having a broad-based public input process and not one that is stakeholder-driven or seeks comment from lots of different organizations, but is all-inclusive. We may do outreach in different locations to get more of an area's involvement, but we are to ensure that the outreach process is open to all groups at all times. We recognize that there may be some exceptions to that, such as the possible need for special outreach to schools and property owners, etc., and the Council was very much in line with that.

On March 1st, the Steering Committee began working toward its first major community event and that discussion continued today. We verified the dates for the event, May 19th and 21st, which is a Thursday and a Saturday. The focus is really on why we are doing this, where we are now and where we go from here, what the Community Plan is, and why we want to update the Plan, to

ensure the citizens understand that they play a vital role in the process. We are still debating how the meeting will be structured, but we have the general sense, so we can start working on a program.

Some Working Teams have been formed that are different than the ones formed with the Planning Commission in that we are working on getting the Committee started and things like the marketing or public outreach for the event, the coordination with others including Commissions and other groups, and we have a Working Team specifically focused on information and what we are going to pull together for a presentation at the event, as well as in general.

Jim Eaton, Chairman of the Citizens Steering Committee: Indicated that the following timeline has to be met:

- March 29 Regular Committee Meeting to get to details about the plan for the program
- April 5 Regular Committee Meeting and job assignments will have to be made for the pair of identical meetings
- April 15 All copy and layouts will have to be finalized for the print media, website, etc.
- April 22 News releases will be sent out and the website and other media have to be done
- May 3 Regular Committee Meeting to review the status of the program arrangements and tie all loose ends together.
- May 2 Announcement of the meetings will be mailed to the public
- May 17 Regular Committee Meeting for a dress rehearsal of the program onsite.

Mike Raber added that the meetings will be held at the Creative Life Center, which seats 225. Chairman Jim Eaton pointed out that there is a lot of work to do in a short time, but he is confident that they can do it. It is a high-powered committee with a wide range of talents.

Summary Discussion:

Chairman Losoff asked if there is anything the Committee needs from Planning & Zoning at this time and Mike Raber explained that the Committee will be pretty focused on the first event for the next couple of months, so staff will continue updating the Commission.

Chairman Eaton noted that the Commission has a "spy" on the Committee, so between him and the updates, the Committee hopes to keep the Commission informed. Chairman Losoff explained for the new Commissioners that when the Committee was formed, the Chairman of P&Z was made a member of the Committee. It is his understanding that the first meeting will be like a kick-off meeting to get the community hyped up about the meetings and what is going to happen in the future, etc., so it is kind of a general meeting on what we are doing and why, encouraging them to come to future meetings to voice their concerns and ideas. Chairman Eaton agreed.

Chairman Losoff added that an issue that has come up with the Steering Committee that will probably involve Planning & Zoning is coordinating with other Commissions and Committees. The Housing Commission and Sustainability Commission are both anxious to do some things, and the Steering Committee is hoping they don't go out on their own and do their own things, such as focus groups or their own get-togethers with the community, etc. The hope is that we all work together, so we don't go off in different directions.

Mike Raber explained that staff met with the Housing Commission on March 7th and we heard their need to meet with the Steering Committee soon, so they can present updated housing data and provide some ideas on things that worked well for them in their outreach on ADUs. We aren't able to do that before the first event, but will probably want to do that soon after, and they will continue to have discussion on items that the Steering Committee might want to be aware of from the public, but we will want to have a meeting with the Housing Commission as soon as we can. Kathy also met with the Historic Preservation Commission yesterday and we are meeting with the Sustainability Commission next week, and there is some similar interest by at least a couple of Sustainability Commissioners who want to be sure we are coordinating efforts, as we get into the visioning process with the Community Plan. The Steering Committee may need to discuss next week when we might start that dialogue. Mike noted that he is also aware that the Planning & Zoning Commission wants to do that too, and we probably need to start organizing those meetings in June.

Vice Chairman Griffin expressed the concern he raised in the last meeting regarding the fact that P&Z has its public hearing process, and how it will be coordinated to ensure that everything isn't already set ahead of that time by the Steering Committee, if the Commission gets the information at the end. He feels there is a little bit of a disconnect, because the public hearing process is in place,

and now there is the Steering Committee's process of having all of these public meetings that we didn't have before. Chairman Eaton explained that the role of the Steering Committee is to make the public outreach, inform the public of the process, gather as much input as possible and get it to the Planning & Zoning Commission for you to write the plan, maybe with the Committee's help and maybe not. The Committee isn't holding public hearings; the Committee is holding public information sessions and most of them will be two-way. The Committee will get their ideas; not make any promises, so he can't imagine that scenario occurring, where everything is done and then comes to P&Z. You are going to be kept apprised of everything that is happening and it is a two-year process. He hopes some of the P&Z Commissioners will come to some of the Committee's meetings; he is forced to attend P&Z's meetings.

Mike Raber added that he thinks one of Vice Chairman Griffin's concerns is that we need to ensure we do a good enough outreach job for people to be engaged and wanting to attend well ahead of those public hearings, and it is those same people hopefully, so it isn't like a whole different group of people comes out at the end.

Chairman Losoff indicated that the Steering Committee discussed it and the scope clearly states that the Commission and the Committee will work collaboratively, and with Mike and Jim coming to the P&Z meetings, in addition to him attending the Committee's meetings, we should be able to bring up any issue, and he doesn't think there are any problems at this stage. After the first couple of meetings with the public, they will start getting into the meat of it and that is when we will have an opportunity to debate.

Commissioner Taylor asked if there is any thought about the City going ahead with any work over and above the resurfacing of 89A being done by the state, such as islands, traffic lights, etc. Chairman Losoff explained that isn't an agenda item; however, it was discussed at the Steering Committee meeting. Mike Raber explained that the Committee knows that there will need to be an item on a future agenda to discuss the 89A corridor and the coordination needed relative to what is going to happen on the corridor, from the safety improvement standpoint over the next year versus planning, and how that relates to the Community Plan update. Staff will be meeting with the City Manager to talk that through, but one of the points made with the Steering Committee was that hopefully, we will have a Community Plan that gives some direction and lays the foundation for more specific planning. We are certainly going to be dealing with the safety improvements, the repaving project and the Andante signal well into next year, before we need to do additional planning work.

Chairman Losoff confirmed with John O'Brien that the Andante signal, repaving and bike lanes will be done before the Community Plan process is completed. John O'Brien then added that staff feels there is a great opportunity to do this right and do the planning work needed before doing the major traffic improvements, and that will be the recommendation to the City Manager and City Council. The Council will be addressing the financial management of the highway and funds from ADOT plus a planning approach in the April 26th Council meeting. Staff feels it is a great opportunity to do some land use and transportation planning and do it right up front, and then do the improvements, but the overlay, traffic signal and bike lanes are going in regardless. Staff's hope is that nothing else will occur until the planning work is done, which includes the Community Plan update and possibly a more specific Redevelopment Plan.

Chairman Losoff pointed out that when the 89A corridor comes up with the City Council, P&Z is very much interested in that, so the Commission would like to be part of those discussions in any opportunity the Commission has. Vice Chairman Griffin added that the other Commissions are getting in line to discuss things with the Steering Committee, so P&Z should get in line too. Mike explained that staff has been keeping the other Commissions updated, and it is only the Housing Commission and a couple of the Sustainability Commissioners, in addition to the Planning Commission, that want to meet with the Committee at this point.

6. Public comment regarding the Community Plan update. (10 minutes 6:20 – 6:30 p.m.)

The Chairman opened the public comment period and having no requests to speak, closed the public comment period.

7. Discussion/possible action regarding the proposed capital project pertaining to land acquisition for affordable housing. (10 minutes 6:30 – 6:40 p.m.)

Presentation, John O'Brien: Explained that on February 1st the Commission reviewed the proposed capital projects in the Five-Year Capital Plan for conformity with the Sedona Community

Plan, and one of the projects the Commission reviewed was an affordable housing capital project that you found was in compliance with the Community Plan, but you also recommended that the project should not be funded with public money. John explained that the information the Commission received was incorrect in terms of the scope of that project, so he wanted to have a redo for the Commission prior to the City Council's work session on March 23rd, and he is doing the same thing tomorrow with the Budget Oversight Commission.

On February 1st, the project was characterized as a land purchase with the development of an eight-unit apartment complex, which was costed out at around \$1.25 million; however, the original intent of that capital project was just the land purchase for about \$200,000, to buy some land that could be used in the future. The land purchase would use dedicated In Lieu Fee funding that has been received through various Development Agreements and rezonings from prior developments. We negotiate either affordable housing units or an In Lieu Fee that goes into a designated fund for the purpose of purchasing land, so the overall intent is for the City to buy the land. The City would not build units, but would partner with a developer or non-profit like Habitat for Humanity or BOTHANDS.

Additional funding sources for constructing those units would be explored, which might include things like low-income housing tax credits and CDBG funds, etc. The Council adopted a policy that was originally called the Housing Policy, which was retitled to Sedona Development Incentives and Guidelines for Affordable Housing, in December of 2007, and that was for the purpose of providing guidelines and incentives to encourage the construction and retention of affordable housing in Sedona. That policy specifically states that the City will consider an In Lieu Fee as an alternative to constructing affordable housing units and that those fees will be deposited into a dedicated affordable housing fund, and that is what we have done the last several years. Developers either construct the units or provide In Lieu Fee money that goes into the designated fund.

Currently, we have about \$216,000 in the fund, so this project is intended to buy the land and not build units with City funding; therefore, he wanted to clarify that and have the Commission take another look at it, to see if the Commission's recommendation might change. If the Commission's recommendation is the same, it will be forwarded to the Council.

Summary Discussion:

Commissioner Hadley indicated that this information changes his opinion; he had forgotten there was a fund, so that sheds a different light on it. Vice Chairman Griffin agreed, because we were looking at \$1.25 million. The Vice Chairman then asked if there is some land designated and John O'Brien indicated no, we are just budgeting and if the Council agrees with the Five-Year Capital Improvement Program, this would be one of the projects they would consider. The Vice Chairman then asked if it was put in the first tier of priorities and John O'Brien explained that it was actually put in Priority 3 by the staff committee, but they were also under the impression that it was to construct eight units, so he isn't sure how they would have ranked it. The Commission had indicated that it complied with the Community Plan, but the City shouldn't use public money to construct an apartment complex; the Commission didn't mess with the priorities.

Chairman Losoff pointed out that the priorities weren't the Commission's jurisdiction. Commissioner Messer asked if it would take a half-acre lot to get eight units. John O'Brien explained that it would depend on the zoning, but likely yes, or a whole acre depending on the location. The Commissioner then asked if the current plan is for the City to buy it, and then gift it to the developer. John O'Brien explained that the City would partner with a developer that perhaps has low-income housing tax credits, and if we had the land that would make their project even cheaper, or with a non-profit like Habitat for Humanity or BOTHANDS. The Commissioner asked if it would include breaks on sewer fees, etc., and John explained that it would have to go through a Development Agreement with the City Council, but that or impact fee waivers is a possibility in the Housing Policy.

Commissioner Taylor asked if ADUs can be purchased or if they are strictly rentals and John O'Brien indicated that they are strictly rentals. The Commissioner then asked if the City has to conform to zoning and John O'Brien explained technically no, but it has been a policy that we do go through the process and we have always complied as a City with our zoning regulations. Commissioner Taylor then asked if there was any problem with a neighborhood, when they find out that the City is buying land for the construction of ADUs, and John clarified that it is not for ADUs, but for affordable housing, and there could be an issue that the City would have to work with a neighborhood. We haven't identified where the property is; that would be the next step if the Council decides to move this forward as a high priority. The Commissioner then asked if the process is the same as when a builder comes in with a project and John O'Brien indicated yes, the

City would go through the same process, meet with the neighborhood, have the outreach meetings and go through a Development Review.

Commissioner Messer asked if there would be a site selection committee or if it would be done by City staff, when it gets to that point, and John O'Brien indicated that would have to be determined; we would obviously get the Housing Commission involved and possibly P&Z, because the Council would have the final say.

Commissioner Taylor indicated it would presumably go through the whole process; the City would go through the review process just as if it was being done for a private builder, so it would come to Planning & Zoning and we would have a public hearing. John O'Brien agreed that it would be the same process and if it was zoned properly, it would just be a Development Review application. Vice Chairman Griffin expressed doubt that the City would go out and buy property that they think they can rezone; it would be something that is already a fairly straightforward situation.

Chairman Losoff noted that in any case there would be a cost to the City, even if we partner with a developer. John O'Brien agreed, but explained that he doesn't have any idea what it would be. We would likely waive some fees, which is consistent with the Housing Policy. The Chairman asked if it is also possible that we could put money toward the construction and John explained that would depend on how the Council would like to structure the deal, but this capital project is only for land purchase. The Chairman asked if the Housing Commission could use the money to buy an existing building or if it is just for land purchase, and John again explained it is not the Housing Commission deciding how to use the money – the Council has the final decision. The Housing Commission may recommend to Council, but they have no authority to make the decision, although the Council would want the input of the Housing Commission.

Chairman Losoff recapped that in the earlier discussion the Commission went through several items and this project was singled out for discussion. We approved the other projects without debate, but this one was separated out, even though it met the intent of the Community Plan, because we thought \$1.25 million was expensive and we didn't want to see the City spending public money on it, so we voted in that regard. Now it is coming back to see if we want to rethink it, given the fact that it is only \$200,000, and that money is in the coffers and in a dedicated fund that is specifically for In Lieu Fees. The Chairman indicated he also understands that if any of the other projects come to fruition that we have approved, there is another \$200,000. John clarified that \$223,000 - \$224,000 is on the books if those projects move forward.

Chairman Losoff asked if the Commission wanted to rethink its previous decision and Commissioner Brandt indicated it is fine by him. Commissioner Hadley stated that it is fine by him too and asked if a motion is needed. John O'Brien indicated he would like a motion that could be taken to the City Council on March 23rd and he is doing the same thing with the Budget Oversight Commission tomorrow. Commissioner Hadley confirmed this motion would rescind the earlier motion. Vice Chairman Griffin indicated that the Commission is saying that we don't have a problem with this money being spent on land as a capital project. The Chairman added that as long as there is no public money being used, we have no problem with this, so he would entertain a motion.

MOTION: Commissioner Messer moved to approve the motion for the capital project using the \$200,000 for property for land. Commissioner Hadley seconded the motion. VOTE: Motion carried six (6) for and zero (0) opposed.

Commissioner Taylor indicated that another way to accomplish another project like this would be for the City to take an option on the land, and then put out an RFP for a design-build, so an architect/contractor would submit a proposal to build a particular configuration of buildings to answer the need in the RFP. They did it quite a bit with the state university system for dormitories.

- 8. Discussion/possible action regarding future meeting dates and agenda items:
(5 minutes 6:30 – 6:35 p.m.)
Thursday, March 31, 2011 – 3:30 p.m. – Worksession
Tuesday, April 5, 2011 – 5:30 p.m. – Regular
Thursday, April 14, 2011 – 3:30 p.m. - Worksession
Tuesday, April 19, 2011 – 5:30 p.m. - Regular**

John O'Brien indicated that the C-Market filed for their Development Review application and the preference for the introductory work session would be Thursday, March 31st. We don't have anything

for April 5th. Mike Raber may have some long-range planning update for you on April 19th, but there is nothing on the 14th. John then asked if the Commission is okay with the work session on Thursday, March 31st. Vice Chairman Griffin pointed out that he couldn't attend that meeting. John O'Brien explained that this is the introductory work session; the hearing won't be until May.

Chairman Losoff asked staff to explain the purpose of the introductory work sessions to the new Commissioners and John O'Brien explained that there is a nine-week process from when the project is filed to when it goes to hearing. We added the introductory work session about four weeks into the process, so it lets P&Z have input into the process early, and the applicant can hear if there are any big deal breakers or major issues, which gives the applicant three to four weeks to revise the plan and bring it back for another work session five days before the public hearing.

Chairman Losoff advised the Commissioners that if they want to add anything to an agenda to let him know. It doesn't have to be project-related; it could be an issue or a concern that you want to discuss.

Commissioner Taylor asked what kind of notice the City needed and John O'Brien explained that staff would like to know of any discussion item a couple of weeks ahead of time, and if it is something that takes staff time, staff would like more time than that. The Commissioner then asked if the C-market is the only project that staff is aware of that is coming along. John O'Brien indicated yes; Thai Spices will likely come back, maybe within the next month, but they missed a deadline, so we aren't sure.

Chairman Losoff summarized that the 5th and 14th are canceled at this point, and we are having a pre-work session on the 31st on the C-Market. On April 19th, we will have an update on the Community Plan, and if anything else comes up, we can add it on the 19th.

9. Adjournment (6:35 p.m.)

Commissioner Losoff called for adjournment at 6:19 p.m., without objection.

I certify that the above is a true and correct summary of the meeting of the Planning & Zoning Commission held on March 15, 2011.

Donna A. S. Puckett, *Recording Secretary*

Date